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Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15 EB-07

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SUBJECT:MEDIA REACTION ON U.S. ANTI-TRUST ACTION ON POTASH AND URANIUM

REF: TORONTO 933

THE LEAD EDITORIAL IN THE JULY 15 ISSUE OF THE CANADIAN NATIONAL MINING WEEKLY, THE NORTHERN MINER, IS HEADLINED "WE SHOULD MUSTER DEFENCE AGAINST U.S. TRUST-BUSTERS" AND THE TEXT IS AS FOLLOWS:

QUOTE OVER THE YEARS, THE CANADAIN MINING INDUSTRY HAS MADE SEVERAL ATTEMPTS TO WIN THE SUPPORT OF THE CANADAIN POPULACE. MANY OF US WILL REMEMBER THE FULL-PAGE ADVERTISEMENTS OF THE MINING ASSOCIATION OF CANADA ASKING IF "ANYONE OUT THERE GIVES A DAMN IF THE MINING INDUSTRY SURVIVES?" FROM ALL REPORTS, THE RESPONSE WAS A GREAT BIG YAWN.

IN THE BRIEF PERIOD SINCE THE UNITED STATES' 200TH BIRTHDAY WE HAVE SEEN TWO GLARING EXAMPLES OF U.S. ANTITRUST MACHINERY EXTENDING INTO THE CANADIAN MINING INDUSTRY --- YET THERE HAS BEEN NO PUBLIC OUTCRY AND VERY LITTLE REACTION FROM THE CANADAIN
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GOVERNMENT.

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HOW DIFFERENT FROM THE DAYS OF WALTER GORDON AND THE
U.S. PRESSURE ON THE FORD MOTOR COMPANY OF CANADA NOT TO FILL
A TRUCK ORDER FROM COMMUNIST CHINA. THAT WAS HEADLINE NEWS
FOR WEEKS ON END AND EVERY PARLIAMENTARIAN WANTED TO GO ON
RECORD AS BEING OPPOSED TO U.S. DICTATION OF CANADIAN EXPORT
POLICIES.

EARLIER THIS MONTH, U.S. COURTS ACCUSED U.S. SUBSIDIARIES
OPERATING IN SASKATCHEWAN WITH PRICE FIXING AND PRODUCTION CONTROLS.
IT SEEMS THAT THESE COMPANIES WENT ALONG WITH THE PROVINCE'S
PRORATIONING SCHEME...SOMETHING THEY DIDN'T LIKE, BUT IT WAS
THE LAW OF THE LAND.

ABOUT A WEEK AGO, DENISON MINES AND RIO ALGOM MINES WERE
SWEPT UP IN THE GENERAL DRAGNET INVESTIGATING PRICE-RIGGING
OF URANIUM IN THE UNITED STATES.

THESE ARE MAJOR INCURSIONS INTO CANADIAN SOVEREIGNTY, BUT
NEITHER STORY MANAGED TO MAKE FRONT PAGE NEWS. THIS IS STRANGE
WHEN ONE CONSIDERS THE LOUD BLEATS OF CANADAIN NATIONALISTS WHEN
SOME U.S. COMPANY CONSIDERS MAKING A LEGITIMATE TAKE-OVER OFFER
FOR A CANADAIN ENTITY. THE PUBLIC ALSO GETS INCENSED OVER TOO
MANY U.S. PROFESSORS IN OUR UNIVERSITIES, TOO MANY U.S.
PUBLICATIONS ON CANADAIN BOOKSTANDS,AND TELEVISION COMMERCIALS
COMING IN FROM BUFFALO AND BELLINGHAM, BUT THEY OBVIOUSLY DON'T
GIVE A DAMN ABOUT THE U.S. GOVERNMENT INTERFERING WITH
PRODUCTION AND MARKETING OF CANADIAN MINERALS.

EVEN OUR GOVERNMENT DIDN'T SEEM TO MIND VERYMUCH. INITIALLY,
IT SAID UT WAS "EXTREMELY CONCERNED" ABOUT THE URANIUM INVESTI-
GATIONS, BUT IT DECLINED TO LAUNCH DIPLOMATIC PROTESTS BECAUSE
IT DIDN'T WANT TO SEEM TO INTERFERE WITH THEU.S. JUDICIAL
PROCESS. EVIDENTLY NO ONE SEEMED WORRIED ABOUT THE INTERFERENCE
OF THE U.S. JUDICIAL PROCESS IN THE CANADIAN MINING INDUSTRY.

FINALLY, FINANCE MINISTER DONALD MACDONALD ... THE FORMER
MINISTER OF ENERGY, MINES AND RESOURCES, MADE THE HALF-HEARTED
STATEMENT THAT IT WOULD BE "UNACCEPTABLE" FOR THE U.S. TO TRY
TO APPLY ITS ANTITRUST LAWS IN CANADA.
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WE WOULD LIKE TO THINK THAT CANADAIN MINING OPERATIONS,
REGARDLESS OF NATIONALITY OF EQUITY CONTROL, SHOULD BE ALLOWED TO
KEEP THEIR OBJECTIVES IN PERSPECTIVE. FIRST OF ALL, IT WOULD
SEEM THAT A COMPANY HAS A LARGE OBLIGATION TO MAXIMIZE EARNINGS
FOR THE SHAREHOLDERS WHO HAVE RISKED THEIR SAVINGS TO INVEST
IN THE ENTERPRISE.THEN, THE COMPANY HAS A MORAL OBLIGATION TO
BE A GOOD CORPORATE CITIZEN OF THE COUNTRY IN WHICH IT OPERATES.

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THE LAWS OF THE LAND ARE STRINGENT AND COMPLEX ENOUGH, AND IT
IS A BIT MUCH TO SUPERIMPOSE DICTATES FROM WASHINGTON ON TOP OF
OFTN ONEROUS DIRECTIVES FROM OTTAWA, PROVINCIAL GOVERNMENTS,
MUNICIPAL GOVERNMENTS, UNIONS, ENVIRONMENTAL GROUPS...

WE ALSO THINK IT IS A BIT NAIVE TO SEE SOMETHING SINISTER
IN THE RECENT SHARP RISE IN URANIUM PRICES. WE WOULD
THINK IT IS BASICALLY A SUPPLY-DEMAND SITUATION. IT HAPPENS
IN MANY OTHER COMMODITIES. REMEMBER THE GREAT CANADIAN SUGAR
INVESTIGATION WHEN THAT PRICE WENT FROM APPROXIMATELY 10 CENTS
A LB. TO SOMETHING LIKE 50 CENTS.

THE THERE'S THAT BIG BOGEY MAN CALLED THE "CARTEL."
THE PRIME TARGET HERE APPEARS TO BE THE LONDON-BASED URANIUM
INSTITUTE, EVEN THOUGH ITS PRESIDENT, DENISON'S JOHN KOSTUIK, HAS
REPEATEDLY EXPLAINED THAT THE ORGANIZATION IN STRICTLY AN INFOR-
MATION AND RESEARCH BODY. NAME PRACTICALLY ANY COMMODITY, AND
YOU'L FIND AN ASSOCIATION OR INSTITUTE CREATED TO PROMOTE ITS
USE. THERE IS NOTHING NEFARIOUS IN THAT. THERE ARE TWO FULL
YELLOW PAGES OF THESE ORGANIZATIONS LISTED IN THE TORONTO AREA
DIRECTORY, YET NO ONE HAS BEEN PRESSING FOR INVESTIGATION OF THE
INSTITUTE OF CHARTERED ACCOUNTANTS, THE INSURANCE INSTITUTE OF
CANADA,THE MOTOR VEHICLE MANUFACTURERS ASSOCIATION....

IT IS MOST UNFORTUNATE THAT INCURSION OF U.S. ANTITRUST
LAWS INTO THE CANADIAN MINING INDUSTRY APPEARS TO BE THE ONE
INVASION FROM SOUTH OF THE BORDER THAT NOBODY REALLY CARES ABOUT.
UNQUOTE.
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